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BATA LTD

v.

SIM AH BA & ORS

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COURT OF APPEAL, PUTRAJAYA
DENIS ONG JCA
JAMES FOONG JCA
ZALEHA ZAHARI JCA
[CIVIL APPEAL NO: W-02-285-2000]

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26 JUNE 2006

TRADE MARKS: *Registered trade mark - Expungment and rectification - Factors to be considered - Material differences in design of respective trade marks - Whether there was real tangible possibility of*

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confusion or deception to general public - Non-distinctiveness of trade mark - Trade Marks Act 1976, s. 37(c)

The appellant had filed a notice of motion in the High Court seeking that the respondents' trade mark, bearing registration No. 88/03298, registered on 5 July 1998 under Class 25 for "socks

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and underwear" ('the respondents' trade mark'), be expunged and removed from the Register of Trade Marks in Malaysia ('Register'), and that the Registrar of Trade Marks, Malaysia ('Registrar') be directed to rectify the Register by removing therefrom the

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respondents' trade mark and publishing this in the Government Gazette ('Gazette'). The appellant, the registered proprietor of a trade mark under class 25 for shoes, boots and parts thereof, slippers and sandals bearing registration No. M/57693, registered on 23 August 1971 ('the appellant's trade mark'), contended that

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the respondents did not invent or create their trade mark but merely played on the appellant's trade mark and coined something similar to that of the appellant's. The appellant further averred that there was an overlapping of trade channels between the parties and that this had caused confusion and deception to the public,

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where purchasers intending to buy the appellant's goods would mistakenly purchase the respondents' goods bearing the respondents' trade mark. The registrar, however, allowed the respondents' trade mark to be advertised in the Gazette after having considered the respondents' explanation that although

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there were minor similarities between the two marks, this would not confuse and deceive the public. The trial judge, after the hearing, dismissed the appellant's application resulting in the present appeal.

Held (dismissing the appeal)
Per James Foong JCA:

(1) The two marks in question, when placed side by side, exhibited many and obvious differences. More importantly, the effect of the idea of the mark in this case was very much diluted by the fact that the appellant's goods sold under the appellant's trade mark were only retailed in the appellant's exclusive 'BATA' shops or those franchised by the appellant. The appellant's goods carrying its trade mark were not sold in general merchandise outlets such as those of the respondents. A probable customer wanting to buy the appellant's products, which were principally footwear, would proceed directly to the appellant's shops or franchised holders where he knew that the appellant's goods would be sold. He would not venture into a general retailing store which stocked the respondents' socks and underwear to buy the appellant's goods. Thus, contrasting trade channels had much to do with the idea of the mark and in this case, coupled with the contrasting material differences in the design of the two trade marks, there was little likelihood that the general public would be confused and deceived by the presence of the two contending marks. (paras 27, 28, 29 & 30)

(2) The word 'POWER' was in fact a generic and common word, and the appellant was not entitled to use it exclusively since the appellant had to rely on the disclaimed word to distinguish its goods. Upon a close scrutiny of the features of the appellant's trade mark, there could be no dispute that the word 'POWER' was the prominent feature. The device only played a secondary role. When the disclaimed word was the hallmark of the appellant's trade mark and the other feature was just there to enhance it, then it could not be said that the word 'POWER', taken with the other feature as a whole, distinguished the appellant's goods. The word 'POWER' was the domineering feature and without this word (or this being substituted), the appellant's trade mark would not be distinctive of the appellant's goods. (paras 35, 36, 37, 38, 39 & 40)

(3) The appellant's trade mark was not registered for goods sold by the respondent under their trade mark. The appellant's trade mark was never registered for socks and underwear, but only for shoes, boots and parts thereof, slippers and sandals.

These goods, although registered under the same classification (Class 25) as the respondents', contrasted dramatically with those of the respondents. This was another factor against the appellant's desire to rectify the Register in the manner requested. (para 42)

(4) Substantial weight should also be given to the decision of the Registrar who, despite being aware of the presence of the appellant's trade mark in the Register, decided to allow the respondents to proceed with the advertisement of their mark in the Gazette. (paras 43 & 44)

(5) Having taken into account all relevant factors, the trial judge was correct in concluding that the probable customers or purchasers of goods retailed by the appellant would not be so foolish as to buy the respondents' goods sold under the respondents' trade mark by mistake. There was neither any real tangible possibility of confusion nor deception to the public by the use of the respondents' trade mark for their goods. The trial judge had not misdirected himself in his finding over this aspect of the case. (para 45)

(6) The appellant had failed to adduce evidence to prove that the respondents' trade mark was not distinctive of their goods. It had only adduced evidence of non-distinctiveness of the respondents' goods to their trade mark at the time of registration. This was completely off the mark since s. 37(c) of the Trade Marks Act 1976 specifically demanded that this should be done "at the commencement of the proceedings". (para 48)

Bahasa Malaysia *translation of headnotes*

Perayu telah memfail notis usul di Mahkamah Tinggi memohon supaya cap dagangan responden untuk "stoking dan pakaian dalam" yang didaftarkan pada 5 Julai 1998 di bawah Kelas 25 dan diberi nombor pendaftaran 88/03298 ('cap dagangan responden') dihapus dan dikeluarkan dari Daftar Cap Dagangan di Malaysia ('Daftar'), dan supaya Pendaftar Cap Dagangan Malaysia ('Pendaftar') diarah untuk membetulkan Daftar dengan cara mengeluarkan cap dagangan responden dan menyiarkan pengeluaran tersebut dalam Gazet Kerajaan ('Gazet'). Perayu, pemilik berdaftar cap dagangan di bawah Kelas 25 bagi kasut, boot dan bahagian-bahagiannya, selipar dan sandal yang didaftar pada 23 Ogos 1971 dengan nombor pendaftaran M/57693 ('cap

dagangan perayu'), berhujah bahawa responden tidak mereka atau mencipta cap dagangannya tetapi sebaliknya meniru dengan cap dagangan perayu dengan membuat sesuatu yang menyerupai cap dagangan perayu. Perayu juga menyatakan bahawa terdapat saluran niaga bertindih di antara pihak-pihak sekaligus mengakibatkan kekeliruan dan perdayaan di kalangan orang ramai, di mana pembeli-pembeli yang hendak memberi barangan perayu terbeli barangan responden yang mempamerkan cap dagangan responden. Apapun, Pendaftar membenarkan cap dagangan responden diiklankan di dalam Gazet, setelah menimbang penjelasan responden bahawa, walaupun terdapat penyerupaan kecil di antara cap-cap, ia tidak mengeliru atau memperdayakan orang ramai. Hakim bicara, selepas pendengaran, menolak permohonan perayu dan perayu merayu.

Diputuskan (menolak rayuan)
Oleh James Foong HMR:

(1) Kedua-dua cap berkenaan, dilihat secara perbandingan, menunjukkan perbezaan yang banyak dan ketara. Lebih penting, dalam kes ini, kesan dari idea cap telah dilemahkan oleh fakta bahawa barangan perayu di bawah cap dagangan perayu hanya dijual secara runcit dan eksklusif di kedai-kedai 'BATA' atau dikedai-kedai di bawah franchise perayu. Barangan perayu yang mempamerkan cap dagangannya tidak dijual di kedai-kedai barangan biasa seperti responden. Seorang pembeli yang ingin membeli produk perayu, yang berasaskan barangan kasut, akan terus pergi ke kedai perayu atau kedai-kedai pemegang franchise perayu kerana mengetahui bahawa barangan perayu ada terjual di situ. Dia tidak akan pergi ke kedai runcit biasa yang menjual stokin dan pakaian dalam responden bagi membeli barangan perayu. Maka itu, saluran-saluran niaga yang berbeza adalah amat berkaitan dengan idea-idea cap dan, ditambah dengan perbezaan-perbezaan ketara yang ada pada rekabentuk cap-cap niaga tersebut, kemungkinan orang ramai akan terkeliru dan diperdaya oleh kehadiran cap-cap berkenaan amatlah kecil.

(2) Perkataan 'POWER' adalah satu perkataan generic dan umum, dan perayu tidak berhak untuk menggunakannya secara eksklusif kerana terpaksa bergantung kepada perkataan yang disisihnya itu bagi membezakan barangannya. Melihat secara terperinci akan cap dagangan perayu, jelas bahawa perkataan 'POWER' merupakan cirinya yang utama. Ciptaan tidak

memainkan peranan yang penting. Bilamana perkataan yang disisihkan menjadi mercutanda cap dagangan perayu dan cirinya yang lain hanya wujud sebagai penghias, maka ianya tidak boleh dikatakan bahawa perkataan 'POWER', dilihat secara keseluruhan dengan ciri yang lain tersebut, telah memperbezakan barangan perayu. Perkataan 'POWER' adalah ciri yang paling terserlah dan tanpa perkataan ini (atau jika ianya diganti) cap dagangan perayu tidak melambangkan kekhususan barangan perayu.

(3) Cap dagangan perayu tidak didaftarkan untuk barangan yang dijual oleh responden di bawah cap dagangannya. Cap dagangan perayu tidak pernah didaftar untuk barangan stokin dan pakaian dalam, tetapi hanyalah bagi kasut, boot dan bahagian-bahagiannya, selipar dan sandal. Barangan ini, walaupun didaftarkan di bawah kelas yang sama (Kelas 25) seperti responden, mempunyai perbezaan yang ketara dengan barangan responden. Ini satu lagi faktor mengapa perayu tidak boleh mengubah Daftar seperti yang dipohonnya.

(4) Pertimbangan kukuh harus juga diberi kepada keputusan Pendaftar yang, walaupun menyedari tentang kewujudan cap dagangan perayu di dalam Daftar, masih memberi ruang untuk responden mengiklankan cap dagangannya di dalam Gazet.

(5) Mengambilkira semua faktor, hakim bicara betul apabila merumuskan bahawa pelanggan atau pembeli prospektif barangan yang dijual perayu bukanlah terlalu bodoh sehingga tersalah beli barangan responden yang dijual di bawah cap dagangan responden. Juga tidak terdapat sebarang kemungkinan yang munasabah bahawa akan berlaku kekeliruan dan perdayaan di kalangan orang ramai dengan responden menggunakan cap dagangannya pada barangannya. Hakim bicara jelas tidak melakukan apa-apa salah arahan berhubung aspek ini.

(6) Perayu gagal mengemukakan keterangan bagi membuktikan bahawa cap dagangan responden tidak terkhusus kepada barangan responden sahaja. Ia hanya membuktikan ketidak-khususan barangan responden dalam hubungan dengan cap dagangan responden pada waktu pendaftaran. Ini tersimpang jauh kerana s. 37(c) Akta Cap Dagangan 1976 secara spesifik mengkehendaki ianya dibuat "pada permulaan prosiding".

Case(s) referred to:

Australian Woollen Mills Limited v. FS Walton & Co Ltd [1937] 58 CLR 641 ***(refd)***

Criminal Clothing Ltd v. Aytan's Manufacturing (UK) Ltd [2005] All ER (D) 251 ***(refd)***

Dodds Family Investments Pty Ltd (formerly Solar Tint Pty Ltd) v. Lane Industries Pty Ltd and Others 25 IPR 197 ***(refd)***

Ford-Werke's Application [1995] 72 RPC 191 ***(dist)***

GEC v. The GE Co Ltd [1972] All ER 507 ***(refd)***

In the Matter of a Trade Mark of the United Chemists' Association Limited [1923] Vol XL RPC 219 ***(refd)***

Lim Yew Sing v. Hummel International Sports & Leisure A/S [1996] 4 CLJ 784 CA ***(refd)***

Paton Calvert Cordon Bleu Trade Mark [1996] RPC 94 ***(dist)***

Re William Bailey (Birmingham) Ltd's Application 52 RPC 153 ***(refd)***

SOLA VOID Trade Mark [1977] RPC 1 ***(foll)***

Standard Ideal Company v. Standard Sanitary Manufacturing Company [1910] RPC Vol 27 789 ***(refd)***

Sykt Telekom Malaysia Bhd v. Business Chinese Directory Sdn Bhd [1994] 2 CLJ 729 SC ***(dist)***

Tiga Gajah Cho Heng Sdn Bhd v. Majuperak Tepung Beras Sdn Bhd [1997] 1 CLJ Supp 52 HC ***(refd)***

Yap Piew Chuan v. Araca Enterprise Sdn Bhd [1998] 2 CLJ 234 HC ***(foll)***

Legislation referred to:

Rules of the High Court 1980, O. 92 r. 1

Trade Marks Act 1976, ss. 10(1), 14, 19(1), 27, 36, 37(b), (c), 45

Other source(s) referred to:

Kerly's Law of Trade Marks & Trade Names, 12th edn, paras 17-08 - 17-21

Kerly's Trade Marks & Trade Names, 13th edn, p 603

For the appellant - Nad Segaram (Camilla Alim with him); M/s Shearn Delamore & Co

For the respondents - WA Shashila; M/s Ram Rais & Partners

[Appeal from High Court, Kuala Lumpur; Civil Suit No: D3-25-23-98]

Reported by Suresh Nathan

JUDGMENT

James Foong J:

Introduction

[1] The appellant had filed a notice of motion in the High Court seeking the following reliefs:

A (1) That respondents' trade mark, bearing registration No. 88/03298, registered on 5 July 1988 under class 25 for "socks and underwear" ('the respondents' trade mark), be expunged and removed from the Register of Trade Marks in Malaysia (Register).

B (2) That the Registrar of Trade Marks, Malaysia (Registrar), be directed to rectify the Register by removing therefrom the respondents' trade mark and publish this in the Government Gazette.

C (3) That costs of and incidental to this application, including those at the Registry, be paid by the respondents.

The Appellant's Reasons

D **[2]** To support its application, the appellant advanced these reasons: First, the appellant declared that it is the registered proprietor of a trade mark under class 25 for shoes, boots and parts thereof, slippers and sandals bearing registration number M/57693 (the appellant's trade mark) which was registered on 23 E August 1971. The appellant's trade mark has the word 'POWER' and a sharp two pronged arrow-like device pointing to the right. The illustration takes this form:

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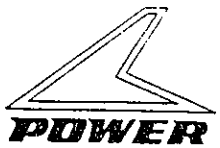

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[3] According to the appellant, it has used this trade mark since 1971 for its goods as registered. Though socks is not one of the H goods listed, the appellant claimed that it has merchandised this product under its trade mark and over time this has gained a reputation and goodwill with substantial income generated from it. To support this, the appellant adduced various documents showing trade channels where its goods under its trade mark were I sold.

[4] The appellant then claimed that the respondents also has a registered trade mark. It is registered on 5 July 1988. It is also under class 25 but the goods listed are: socks and underwear. This mark consists of a three feather-like curve devise with the word 'SPORTS' below it. Then just beneath this is another word: 'POWER'. The illustration of the respondents' trade mark is as follows:

[5] According to the appellant, the respondents did not invent or create their trade mark. Respondents merely played on the appellant's trade mark and coined up something similar to that of the appellant's. Not only this, the respondents also failed to use their trade mark subsequent to their submission for registration. Trading activity on the defendants' trade mark only began in 1991, and even this is suspected. The invoices adduced by the respondents to prove their trading channels are in Chinese characters which, if not translated into Bahasa Malaysia or English, cannot be admitted as evidence in a court of law in this country. The appellant then further stressed that even if the respondents had used their trade mark there is an overlapping of trade channels between the parties and this has caused confusion and deception to the public where, purchasers intending to buy the appellant's goods would mistakenly purchase the respondents' goods bearing the respondents' trade mark.

[6] Finally, though admitting that the appellant did not raise any objection when the respondents' trade mark was advertised in the gazette under s. 27 of the Trade Marks Act 1976 ("the Act"), the appellant maintained it can still seek relief from the court to rectify the register with the orders requested in the motion.

The Respondents' Retaliation

[7] The respondents first denied all the allegations of the appellant. They explained that they have never copied from the appellant's trade mark. Their trade mark was designed by them

from their own original idea. Though admitting that there may be some minor similarities to the appellant's trade mark, but this would not cause confusion and deception to the public. In fact, this apprehension has been settled by the registrar who allowed the respondents' trade mark to be advertised in the gazette after having considered the explanation of the respondents over the fear of confusion and deception to the public.

[8] The respondents then proceeded to explain they have used their trade mark after having applied for registration. They explained that documentary evidence to support this was lost in the floods that affected their trading premises. As for overlapping of trade channels, the respondents explained that this is not possible since the appellant only sold its goods in its own 'BATA' shops or those under its franchises whilst the respondents' goods are retailed in general merchandised stores. The trading channels are therefore completely different with very little likelihood of confusion and deception to the public.

Finding Of The Trial Judge And The Approach Taken By Him

[9] After hearing, the trial judge dismissed the appellant's application. His reasons are as follows:

[10] First, he was satisfied that the appellant is an aggrieved party to bring this application. He then proceeded to deal with the appellant's complaint that the respondents' trade mark is not distinctive. He viewed that distinctiveness under s. 10(1) of the Act (pre-amendment in 2000) is only one of the factors to be considered. It is "not the sole criteria for registration" of a trade mark. In any event, since the registrar has accepted the respondents' application for registration of their trade mark, substantial weight must be attached to such decision. To appreciate this reasoning, we reproduce s. 10(1) of the Act (pre-amendment).

> 10(1) In order for a trade mark (other than a certification trade mark) to be registrable in Part A of the Register, it shall contain or consist of at least one of the following particulars:
>
> (a) the name of an individual, company or firm represented in a special or particular manner;
>
> (b) the signature of the applicant for registration or of some predecessor in his business;

(c) an invented word or words; A

(d) a word having no direct reference to the character or quality of the goods or services not being, according to its ordinary meaning, a geographical name or surname; or

(e) any other distinctive mark. B

[11] The trial judge then proceeded to discuss s. 19(1) of the Act which deals with:

Identical trade marks. C

19. (1) No trade mark shall be registered in respect of any goods or description of goods:

(a) that is identical with a trade mark belonging to a different proprietor and entered in the Register in respect of the same goods or description of goods or in respect of services that are closely related to those goods; or D

(b) that so nearly resembles such a trade mark as is likely to deceive or cause confusion.

[12] Though confessing that some confusion may arise over the word 'POWER' in the respondents' trade mark, the trial judge felt that this could be neutralized by the different type of goods registered under the respondents' trade mark from that of the appellant's. In the case of the appellant's trade mark, the goods specified are: shoes, boots of any part thereof, slippers and sandals. It does not include socks and underwear for which the respondents' trade mark is registered. Further, the trial judge pointed out that aside from the word 'POWER', other features in the two contending trade marks are also different. Then finally, the trial judge declared that the appellant has no exclusive right to the use of the word 'POWER' since this is not only a common and generic word but also a disclaimer is also placed over it by the registrar. E F G

[13] As to the complaint that the respondents did not actively use their trade mark since they applied for registration the trial judge found this unsubstantiated. By this finding, we believed that the trial judge must have accepted the documentary evidence adduced by the respondents showing their trading channels which are partly written in Chinese. H I

[14] Before concluding, the trial judge also invoked s. 14 of the Act which stipulates:

Prohibition on registration

14. (1) A mark or part of a mark shall not be registered as a trade mark:

(a) if the use of which is likely to deceive or cause confusion to the public or would be contrary to law;

(b) if it contains or comprises any scandalous or offensive matter or would otherwise not be entitled to protection by any court of law; or

(c) if it contains a matter which in the opinion of the Registrar is or might be prejudicial to the interest or security of the nation;

(d) (not applicable since this subsection came into force in 2000, subsequent to the registration of the respondents' mark).

(e) (not applicable since this subsection came into force in 2000, subsequent to the registration of the respondents' mark).

(f) (not applicable since this subsection came into force in 2000, subsequent to the registration of the respondents' mark).

(g) (not applicable since this subsection came into force in 2000, subsequent to the registration of the respondents' mark).

[15] According to him, of the three relevant sub-sections above, only sub-section 14(1)(a) applies. And based on same grounds enunciated earlier, he held that the public would not be confused and deceived by the existence of the two contending trade marks.

The Correct Procedure In Dealing With An Application Of This Nature

[16] Before we proceed to analyze the substantive issues, we must first determine what factors should guide us in our consideration. This is necessary when it was brought to our attention by the respondents' counsel that in an application to expunge a trade mark from the register only factors set out under s. 37 of the Act apply. Those highlighted by the appellant under ss. 10 and 19 of the Act are not applicable and should be left out. Further, the respondents' counsel pointed out that the period for evaluating distinctiveness of the respondents' trade mark to their goods must be "at the commencement of the proceedings" (according to sub-paragraph (c) of s. 37 of the Act), not when the respondents applied for registration of their trade mark.

[17] To appreciate this submission of the respondents' counsel, it is necessary for us to first set out some basic facts and law on the effect of a registered trade mark.

[18] Under s. 36 of the Act, "the fact that a person is registered as proprietor of the trade mark shall be *prima facie* evidence of the validity of the original registration of the trade mark". And such registration is conclusive as provided by s. 37 of the Act which states:

> **Registration conclusive**
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> 37. In all legal proceedings relating to a trade mark registered in Part A of the Register (including applications under section 45) the original registration of the trade mark under this Act shall, after the expiration of seven years from the date thereof, be taken to be valid in all respects unless it is shown:
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> (a) that the original registration was obtained by fraud;
>
> (b) that the trade mark offends against section 14; or
>
> (c) that the trade mark was not, at the commencement of the proceedings, distinctive of the goods or services of the registered proprietor,
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> except that this section shall not apply to a trade mark registered under the repealed Ordinances and incorporated in the Register pursuant to subsection (3) of section 6 until after expiration of three years from the commencement of this Act.

[19] When a trade mark is registered, it entitles the registered proprietor to the exclusive use of the mark subject, of course, to the right of concurrent user by any registered proprietor of an identical mark or one nearly resembling it – see *GEC v. The GE Co Ltd* [1972] All ER 507 @ 526.

[20] From the above, we observed that even though a trade mark is registered, it does not prevent anyone from challenging the validity of the mark if he can prove that it falls within one of the circumstances mentioned in s. 37 of the Act. And to mount such a challenge, s. 45 of the Act sets out the following process:

> **Rectification of the Register**
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> 45. (1) Subject to the provisions of this Act:
>
> (a) the Court may on the application in the prescribed manner of any person aggrieved by the non-insertion in or omission from the Register of any entry or by any entry made in the Register without sufficient cause or by any entry wrongfully

A remaining in the Register, or by any error or defect in any entry in the Register, make such order for making, expunging or varying such entry as if thinks fit;

(b) the Court may in any proceeding under this section decide any question that may be necessary or expedient to decide B in connection with the rectification of the Register;

(c) in case of fraud in the registration, assignment or transmission of a registered trade mark or if in his opinion it is in the public interest to do so, the Registrar may himself apply to the Court under this section; C

(d) an order of the Court rectifying the Register shall direct that notice of the rectification be served on the Registrar in the prescribed manner and the Registrar shall upon receipt of the notice rectify the Register accordingly.

D **[21]** By these provisions, it is clear that in an evaluation exercise for the rectification of the register concerning expunging and removal of a registered trade mark, the court must confine itself to only those situations described in s. 37 of the Act. By virtue of s. 37(b) of the Act, those instances mentioned in s. 14 of the E Act are also included. And in respect of 'distinctiveness' (under s. 37 sub paragraph (c) of the Act), it must be considered at the time of the commencement of the proceedings, not at the time when the respondents made their application for registration of their trade mark. Further, there is one exception unique to our F instant case. Since the respondents had applied for registration of their trade mark in 1988, sub-sections (d) to (g) of s. 14 of the Act do not apply. These sub-sections were only introduced into the Act in the year 2000.

G **[22]** With these parameters identified, we can immediately detect a misdirection by the trial judge when he took into consideration factors set out under ss. 10 and 19 of the Act. These have no relevance in this kind of application before him. But since the trial judge has also taken into consideration factors set out in s. 37 of H the Act, we feel that this misdirection is isolated and would not affect the substantive part of his judgment.

Factors To Be Considered

I **[23]** To summarize, for this kind of application, the factors to be considered are as follows:

1. Whether the original registration of the respondents' trade mark was obtained by fraud.

2. Whether the respondents' trade mark is likely to deceive or cause confusion to the public or is contrary to law.

3. Whether the respondents' trade mark contains or comprises any scandalous or offensive matter or would otherwise not be entitled to the protection by any court of law.

4. Whether the respondents' trade mark contains a matter which in the opinion of the registrar is or might be prejudicial to the interest or security of the nation.

5. Whether the respondents' trade mark is, at the commencement of the proceedings, distinctive of the goods or services of its registered proprietor.

[24] As the allegations of the appellant do not cover factors 1, 3 and 4 above, we would leave these out of our consideration. So all that is necessary for us is to focus on factors 2 and 5. And even on factor number 2, it would be restricted to whether the respondents' trade mark is likely to deceive or cause confusion to the public and not whether the respondents' trade mark is contrary to law. The latter is not relied upon by the appellant as a ground for rectification of the register.

1st Issue: Likely To Deceive Or Cause Confusion To The Public

[25] In considering whether there would be confusion and deception to the public by the existence of two allegedly similar trade marks, it is necessary, at the outset, to state that similarity *per se* is acceptable, so long as it does not lead to a likelihood of confusion or deception – see Kerly on *Law of Trade Marks & Trade Names,* 13th edn paras. 16-32. And confusion and deception here should be precipitated to those probable customers or purchasers of goods who may be misled into purchasing one party's goods sold under that party's trade mark for that of the other. A possibility of confusion is not sufficient. There must be "a real tangible danger of confusion" – see Farwell J in *Re William Bailey (Birmingham) Ltd's Application* 52 RPC 153 @ line 24. To ascertain whether there is a likelihood of confusion and deception, we find the following passage in the Australian case of *Australian Woollen Mills Limited v. F.S. Walton And Company Limited* [1937] 58 CLR 641 @ 658 worthy of adoption:

> In deciding this question, the marks ought not, of course, to be compared side by side. An attempt should be made to estimate the effect or impression produced on the mind of potential customers by the mark or device for which the protection of an injunction is sought. The impression or recollection which is carried away and retained is necessarily the basis of any mistaken belief that the challenged mark or device is the same. The effect of spoken description must be considered. If a mark is in fact or from its nature likely to be the source of some name or verbal description by which buyers will express their desire to have the goods, then similarities both of sound and of meaning may play an important part. The usual manner in which ordinary people behave must be the test of what confusion or deception may be expected. Potential buyers of goods are not to be credited with any high perception or habitual caution. On the other hand, exceptional carelessness or stupidity may be disregarded. The course of business and the way in which the particular class of goods are sold gives, it may be said, the setting, and the habits and observation of men considered in the mass affords the standard. Evidence of actual cases of deception, if forthcoming, is of great weight.

[26] Broadly speaking, the factors can be summarized as follows:

(a) the idea of the mark is to be regarded;

(b) the elements of the mark must be taken as a whole;

(c) imperfect recollection of the mark by customers or purchasers should be taken into account;

(d) the aural as well as the visual aspect of a customer towards the mark is relevant; and

(e) all the circumstances of the trade to be considered:

see *Tiga Gajah Cho Heng Sdn Bhd v. Majuperak Tepung Beras Sdn Bhd* [1997] 1 CLJ 52) adopting those stated in *Kerly's Law of Trade Marks & Trade Names,* 12th edn from paras 17-08 to 17-21.

[27] Though it is advised that the two contending marks should not be placed side by side for comparison but for the initial effect, we are of the view that it is still necessary in an evaluation process of this nature to first examine the two marks visually in order to ascertain whether they resemble each other materially. If they are distinctively dissimilar then obviously the public could not be possibly deceived or confused by the two marks.

[28] To ascertain this, we agree with the approach by the trial judge that we begin by looking at the two contending marks. Aside from the common word 'POWER', the respondents' trade mark has another word: 'SPORTS' above it. This is not found in the appellant's trade mark. Then, when one examines the font used in the respondents' trade mark and compares it with the appellant's, more dissimilarity appears. Up-right letterings are applied to the word 'POWER' in the respondents' mark whilst the appellant's adopted a slanting style. In presenting this word 'POWER', the respondents have added shades to the alphabet 'P', giving an impression of speed. This is not apparent in the appellant's mark. Next is the device. The three soft waves or curves above the word 'POWER' in the respondents' trade mark contrast dramatically with that of the appellant's, which is represented by an angular arrow device.

[29] We have reminded ourselves that two marks placed side by side may exhibit many and obvious differences and what is important is the idea of the mark left on the minds of the probable consuming public. To elaborate on this significance, we reproduce a passage from *Kerly's Trade Marks & Trade Names*, 13th edn, p 603, which states:

> Two marks, when placed side by side, may exhibit many and various differences, yet the main idea left on the mind by both may be the same. A person acquainted with one mark, and not having the two side by side for comparison, might well be deceived, seeing the second mark on other goods, into a belief that he was dealing with goods which bore the same mark as that with which he was acquainted.

[30] But it is our view that the effect of the idea of the mark in this case is very much diluted by the fact that the appellant's goods sold under the appellant's trade mark are only retailed in the appellant's exclusive 'BATA' shops or those franchised by the appellant. The appellant's goods carrying its trade mark are not sold in general merchandise outlets such as those of the respondents. A probable customer wanting to buy the appellant's products, which are principally footwear, would proceed directly to the appellant's shops or franchised holders where he knows that the goods of the appellant would be sold. He would not, in our view, venture into a general retailing store which stocks the respondents' socks and underwear to buy the appellant's goods. Thus, contrasting trade channels has much to do with the idea of the mark and in this case, coupled with the contrasting material

differences in the design of the two trade marks, we find that on this score, there is little likelihood that the general public would be confused and deceived by the presence of the two contending marks.

[31] But according to the appellant, the trade channels of the respondents' are questionable. The invoices issued by the respondents to their various trading outlets are written in the Chinese language, which, if not translated into National Language or English cannot be admitted as evidence under O. 92 r. 1 of the Rules of High Court (RHC) as decided by the Supreme Court in *Sykt Telekom Malaysia Bhd v. Business Chinese Directory Sdn Bhd.* [1994] 2 CLJ 729.

[32] Though the Supreme Court in *Sykt Telekom Malaysia Bhd v. Business Chinese Directory Sdn Bhd. (supra)* has broadly decided that O. 92 r. 1 RHC is a mandatory provision which requires any document in any language other than the National Language or English to be translated into either of these two languages before it can be accepted in evidence, it seems to us that this applies strictly to a document where the contents is entirely of a different language. But if the document, like in this case which is partly in English and partly in Chinese, could be decipher by the court for the purpose intended, then such document could be accepted in evidence to support such intended objective. In this case, the respondents' intention in adducing these invoices is to show their trade channels. These documents have the respondents' company's name in English with accompanying Chinese character. On most occasions, the recipients of these invoices are written in Chinese, but there are times when they are spelled out in English. For the goods supplied, there is a mixture of English and Chinese words. Common English words used are: 'socks', 'Power', 'cotton' and 'white' followed by the number of items supplied. When the trial judge accepted this set of invoices as evidence, he must have understood the contents to indicate that the respondents' firm was selling its goods under the respondents' trade mark to various customers. And judging from the relatively large volume of stock transacted, these customers must have been retailers. In this sense we find that *Sykt Telekom Malaysia Bhd v. Business Chinese Directory Sdn Bhd (supra)* can be distinguished. This was the same approach taken in *Yap Piew Chuan v. Araca Enterprise Sdn Bhd* [1998] 2 CLJ 234 where the trial judge first identified the objective for which the document is to be admitted and when the document (which is partly written in Chinese) was understood to be for the

objective intended, it was ruled admissible though not translated into Bahasa Malaysia or English. We have also adopted this approach.

[33] In any event, we find that this objection of the appellant on the admissibility of these documents rather strange and contrary to what the appellant is attempting to establish: that the public is confused and deceived by the respondents' trade mark for its goods. To be confused, the respondents' goods must be in the market sold under the respondents' trade mark. But if the respondents have not used their trade mark to market their goods then there could be no possibility of confusion and deception to the public. This runs contrary to the intention of the appellant in wanting to rectify the register for reason that the usage of respondents' trade mark on their goods would cause confusion and deception to the public.

[34] Now we turn to aural aspect of the marks. The trial judge has declared that aurally there might be confusion caused by the word 'POWER' which appears in both trade marks. To appreciate the effect of this, we apprehend below a passage from *Criminal Clothing Ltd v. Aytan's Manufacturing (UK) Ltd.* [2005] All ER (D) 251 (June):

> Notwithstanding the finding of visual dissimilarity, the Hearing Officer considered that the marks were aurally similar. He considered a number of factors in arriving at that conclusion: (a) that words in trade marks speak louder than devices; (b) that the first word in a trade mark is the most important; (c) despite the added devices, the AML trade mark was likely to be remembered as "CRIMINAL DAMAGE" and the CCL mark as "CRIMINAL"; (d) as a consequence the marks shared a degree of oral/aural similarity.

[35] Though the aural aspect of the marks is of significance but we have to ascertain whether the appellant has acquired the exclusive right to the use of the word 'POWER'. Firstly, this word 'POWER' is not an invented word. It is in fact a generic and common word. To be an invented word it:

> must not only be newly coined, in the sense of not being already current in the English language, but must be such as not to convey any meaning, or, at any rate, any obvious meaning ... It must be a word having no meaning or no obvious meaning until one has been assigned to it – Parker J in *Philippart's Trade Mark* [1908] 25 RPC 565.

[36] We were told by the appellant that though this word 'POWER' may be a generic and common word, but in the appellant's case it has acquired a secondary meaning to distinguish it with the goods marketed by the appellant. For this, the appellant should be entitled to the exclusive use of it.

[37] To support this contention, the case of *Standard Ideal Company v. Standard Sanitary Manufacturing Company* [1910] RPC Vol. 27 789 was cited. We agree that if a word in a trade mark has achieved a secondary meaning to distinguish it with the goods of the proprietor of the trade mark, then such proprietor may be entitled to the exclusive use of it. But in this case there is insufficient evidence advanced by the appellant to convince us of this.

[38] In any event, this claim to exclusivity by the appellant is much weakened by the imposition of the disclaimer by the registrar on both the appellant's and the respondents' trade marks over the usage of the word 'POWER'. The disclaimer reads:

> registration of this mark shall give no right to the exclusive use of the word 'Power'.

[39] Generally, this means that neither the appellant nor the respondents has a monopoly over the use of this word. But on this, the appellant argued that this word 'POWER' is only a feature of the appellant's trade mark and taken together with other features in the appellant's trade mark as a whole, the appellant's trade mark would distinguish it with the goods of the appellant. In this sense, the appellant should be entitled to the exclusive, use of it. For support, the appellant cited *Ford-Werke's Application* [1995] 72 RPC 191, and *Paton Calvert Cordon Bleu Trade Mark* [1996] RPC 94.

[40] We have no quarrel with general exception laid down by these authorities which, to a certain extent, can nullify the effect of a disclaimer. However, we feel that before such an exception can be effective to neutralize the registrar's disclaimer, there must be a close scrutiny of the features of the appellant's trade mark. In the appellant's trade mark, there can be no dispute that the word 'POWER' is the prominent feature. The device only plays a secondary role. When the disclaimed word is the hallmark of the appellant's trade mark and the other feature is just there to enhance it then it cannot be said that the word 'POWER', taken with the other feature, as a whole distinguishes the appellant's

goods. The word 'POWER' is the domineering feature and without this word (or this being substituted) the appellant's trade mark would not, in our opinion, be distinctive of the goods of the appellant. In short, the appellant has to rely on the disclaimed word to distinguish its goods. The other feature plays a relatively minor role, or just being complimentary. For this reason, we feel that the exception spoken of is not applicable in this instance.

[41] Still on the topic of the features of a trade mark, the appellant pointed out that if the respondents' mark is allowed to persist, the public may think that it is a mark varied by the appellant to accommodate the different ranges of goods sold by the appellant; a trade practice which is common in the market. But we find that this argument has no foundation once we revisit the trading channels of the parties. As disclosed, the appellant's products under its trade mark are only available in their own retail 'BATA' outlets or those franchised by the appellant. For the respondents, their goods are found in general merchandized stores. And even in the retail outlets of the appellant, the goods sold are confined to mainly footwear as compared to general merchandize sold in the stores that are used by the respondents. So, as correctly held by the trial judge, a potential customer intending to buy goods produced by the appellant would only walk into the 'BATA' shops of the appellant or its franchised holders rather than to a general store. He would not go into a general store if he intends to buy the appellant's goods. Therefore there is very little likelihood of confusion and deception to the public of the kind envisaged by the appellant. And carrying this even further, we would say that a person seeking to buy shoes would go primarily to a shoe shop. A person seeking to buy socks may or may not go to a shoe store because socks are sold in every other departmental store. But a person seeking to buy underwear will certainly not go to a shoe store to buy such garment. This is well illustrated in the case of *In the Matter of a Trade Mark of the United Chemists' Association Limited* [1923] Vol XL RPC 219 at p. 220. As for socks, as discussed, the different trading outlets of the respective parties would diminish any fear of confusion and deception on the public over the use of the two contending marks.

[42] Much associated with this issue is the type of goods for which a trade mark is registered. Here we would like to point out that the appellant's trade mark is not registered for goods sold by the respondents under their trade mark. The appellant's trade

A mark is never registered for: socks and underwear. To reiterate, the appellant's trade mark is only for: shoes, boots and parts thereof, slippers and sandals. These goods, though registered under the same classification (class 25) as the respondents', contrast dramatically with those of the respondents. This is B another factor against the appellant's desire to rectify the register in the manner requested.

[43] We will now move on to the assertion of the respondents that the court should give substantial weight to the decision of the C registrar who, despite being aware of the presence of the appellant's trade mark in the register, decided to allow the respondents to proceed with the advertisement of their mark in the gazette. To support this, the Privy Council case of *SOLA VOID Trade Mark* [1977] RPC 1 @ 26 was cited where Lord D Fraser advised:

> In these circumstances the decision to allow registration, while it does not carry so much weight as if it had been made by the Commissioner himself after hearing evidence, is entitled to substantial weight, having been made by an officer of the E Department who was entrusted with the duty of making such decisions and who is shown to have taken into account the respondent's trade mark in coming to his decision.

[44] We find this proposition logical and rational. It should be F adopted for consideration in an application of this nature. Here, the registrar, when processing the respondents' application, discovered two other resembling trade marks, one of which is that of the appellant's. He informed the respondents of this, obviously with an apprehension that if the respondents' trade mark is G registered it might cause confusion and deception to the public by being similar to the other two registered marks. The respondents replied with an explanation to calm the fear of the registrar. Undoubtedly, the registrar must have been satisfied with the explanation offered by the respondents for he proceeded to permit H the respondents' trade mark to be advertised in the gazette. This decision of the registrar must bear some weight upon the court when considering an application of this nature. The reasons are simply these: (a) One of the registrar's duties is to ensure that there should be no two similar marks registered if it would cause I confusion and deception to the public. (b) To prevent this, the registrar is granted discretion by statute to decide whether to allow the respondents' trade mark to proceed to the next stage of registration, and that is to be advertised in the gazette. (c)

Having accepted the respondents' explanation the registrar must have been satisfied that no such confusion and deception would be caused to the public for he allowed the respondents' trade mark to be advertised in the gazette. Thus having undertaken such evaluation exercise, we feel that due weight should be accorded to his decision.

[45] Finally having taken into account all relevant factors, we support the trial judge's conclusion that the probable customers or purchasers of goods retailed by the appellant would not be so foolish as to buy the respondents' goods sold under the respondents' trade mark by mistake for that of the appellant's. We hold that there is no real tangible possibility of confusion or deception to the public by the use of the respondents' trade mark for their goods. Having arrived at this decision, we find that the trial judge has not misdirected himself in his finding over this aspect of the case. We uphold his decision on this issue.

2nd Issue: Whether At The Commencement Of The Proceedings, The Respondents' Trade Mark Is Not Distinctive Of The Goods Of The Respondents

[46] Lockhart J in the Australian case of *Dodds Family Investments Pty Ltd (formerly Solar Tint Pty Ltd) v. Lane Industries Pty Ltd and Others* 25 IPR 197 explained the meaning of 'distinctive':

> 'Distinctive' means distinctive in the sense that the mark distinguishes the registered proprietor's goods or services from others of the same type in that market, though it does not mean that the goods or services must specifically identify the plaintiff as the source of those goods or services. Often the identity of the supplier will be unknown, but what is important is that a significant number of consumers in the relevant market identify the plaintiff's goods or services as coming from one trade source: see Johnson & Johnson at FCR 336 and the other references there cited.

[47] And in *Lim Yew Sing v. Hummel International Sports & Leisure A/S* [1996] 4 CLJ 784, Mahadev Shankar JCA declared:

> That distinctiveness has to be gauged by the extent to which the trade mark is adapted to distinguish the goods with which its proprietor is connected in the course of trade from goods with which no connection subsists. For the purpose of establishing distinctiveness, therefore, one must look to the use of the mark in the course of trade.

[48] To prove that the respondents' trade mark is not distinctive of their goods, like the previous issue, the burden is on the appellant – see *SOLAVOID Trade Mark (supra)* and *Lim Yew Sing v. Hummel International Sports & Leisure A/S (supra)*. But the respondents were quick to point out that the appellant has failed to fulfill this duty. The appellant has only adduced evidence of non-distinctiveness of the respondents' goods to their trade mark at the time of registration. This is completely off the mark. Section 37(c) of the Act specifically demands that this should be "at the commencement of the proceedings". Since no evidence is adduced to prove this assertion within the correct time frame, we have to dismiss this ground.

Conclusion

[49] For the reasons aforesaid, we dismiss this appeal with costs. Deposit of the appellant for this appeal to the respondents towards the account of taxed costs.